

**Employees have until Pay Period 24 to maximize
TSP Regular and Catch Up contributions for 2006.**

DOC Broadcast email

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This message serves as a reminder that Section 402 of the Tax Code limits the amount of income that you may elect to defer under all cash or deferred arrangements during a tax year. The total amount of contributions to the Thrift Savings Plan (TSP) for 2006 cannot exceed the elective deferral limit of \$15,000. When the annual limit is reached, your employee contributions must be suspended for the remainder of the year. The TSP will not accept any contributions that exceed this limit unless you are over age 50, in which case your contributions cannot exceed the sum of the Internal Revenue Code elective deferral limit plus the "catch-up" contribution limit for that year. The Catch-Up contribution limit for 2006 is \$5,000. For those employees covered under the Federal Employees Retirement System (FERS), your agency matching contributions are also suspended when the annual limit on elective deferral has been reached. As a result, you will not get the full amount of agency matching contributions that you could have received if your own contributions had been slightly less each pay period.

To ensure that highly paid FERS employees receive the agency matching contributions throughout the year without hitting the limit, affected employees are encouraged to use the TSP on-line calculator at <http://www.tsp.gov/calculator/contributions/index.html>.

If you have any questions, please contact your servicing human resources office.

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